

October 28, 2004

Cover Letter

Public Utilities Commission
Fax (808) 586-2066

Re: Docket # 04-0140
Buy-out of Verizon by The Carlyle Group

From Jade Bruhjell
P.O. 945
Kaunakakai Hi, 96748
(tel) 553-4243
(fax) 808-5216

9 Pages including cover letter

October 28, 2004
Thursday

Reference: Docket #04-0140
Buy- Out of Verizon by the Carlyle Group

Aloha Respected Servants of the Public Utilities Commission,

I am a private citizen concerned about the possible "buy out" of Verizon Telecommunications by the Carlyle Group.

Although I attended the meeting here on Molokai on October 13th, my concerns were neither spoken to nor addressed. Perhaps the following issues were mentioned or brought up at other meetings on other islands.

It makes sense that the consumer and local businesses would question whether the "buy out" of a new company would affect rates and services. My deeper concern, though, is who and what the Carlyle Group represents, as a corporation. There is much that the general public is simply not aware of.

Very basically, the Carlyle Group is said to be one of the largest, if not the largest weapons manufacturers on the planet...they are currently behind supplying weapons of mass destruction For an illegal war the ~~United~~ States is involved in Iraq. Both the Bush Family and the Bin Laden have had past holdings with this corporation and continue to profit, daily, from this war. I question the Integrity of this corporation.

Do we really want these people or any foreign corporation in charge of Hawaii's public utilities? What is going on here? Why are America's being sold out to foreign corporate giants? Carlyle also is in charge of half the worlds privately owned water.

Most notably, is Carlyle's involvement with the Department of Defense and war weapon's manufacturing? Will this "buy out" further federalize more of our public utilities? Will our local telecommunications become part or more of their global weapons systems? Will the involvement of the Carlyle Corporation create an avenue for the residents of the Hawaiian Islands to be put under increased federal surveillance? This could impact our Constitutional rights. Do we want the Carlyle Group, with their questionable ethics, in other matters, and dubious intentions, with this purchase, controlling Any of our public utilities? Will our telecommunications, in the state of Hawaii, somehow become part of military operations?

Will they serve the people in Hawaii with Aloha or will we the people, end up serving them.

Thank you very much for taking the time to read this. I am also faxing on several articles about the Carlyle Group that you may find interesting.
Respectfully,

S. Bruhjell
Private Citizen
Po Box 945
Kaunakakai, Molokai 96748

FIRST ARTICLE - ONE PAGE ONLY

AMERICAN FREE PRESS ISSUE 25, JUNE 24, 2002

EU Demands to Compete With US Public Works

Do you want a European company delivering your mail. Or selling you water?

EXCLUSIVE TO AMERICAN FREE PRESS

By Jack Ross

The European Union has asked the U.S. Trade Representative to allow Europeans to compete for public works projects provided by the federal government, most notably with the postal service and with the "market" for water.

This appeal is based on the General Agreement on Trade in Services (GATS), which is meant to fill the void in most free trade agreements that mostly cover trade in goods.

While most business leaders scoff at the idea that the international free trade regime threatens government trusts anywhere, there is ample reason for concern.

It is mandated under GATS that foreign corporations be treated at least as well as any domestic entity. This is foreign money interests sabotaging the general welfare.

Unlike most other public works provided by the United States, the postal service is spelled out in the Constitution. Ceding it to foreign corporations would be tantamount to treason.

This appeal by the EU comes with the renewal of a long-standing demand that the United States allow foreign-owned ships to ferry certain lucrative cargo between U.S. ports. The law currently requires all such ships to be built, owned and operated by Americans, and the preservation of this law has always been achieved by a coalition of business and labor.

The suggestion that the postal service sell itself to European business interests is certain to face even greater opposition. The postmaster general and the American Postal Workers



Globalism in action—European Union countries have petitioned the United States to allow them to take over the job of the U.S. Postal Service and deliver America's mail. Above, a 77-year-old USPS mail carrier.

Union are opposing the EU demands.

But most devastating is the attempt by these same European business interests to claim supremacy over the United States' water supply.

FIERCE OPPOSITION

In six states—Florida, Michigan, New Hampshire, Pennsylvania, Texas and Wisconsin—proposals by foreign bottling companies to pump huge amounts of water from rural areas, as much as 500 gallons a day, have been met by fierce local opposition.

The most notable case is in Michigan, where Perrier is vying for the right to dry up Michigan's aquifers.

Two facts make the water situation far more ominous.

First, a recent article in *Business Week* claims water to be "the oil of the 21st century." In other words, water, the source of all life, will be of the same lofty status among commodities and carry the very same geopolitical significance that oil does today.

Second, already, almost all of the world's water supply under private ownership is owned by two European corporations—Suez, which owns Perrier, and Vivendi, which is owned by the Carlyle Group, the notorious global corporate juggernaut.

It is therefore of the utmost importance that all requests made under GATS are given full transparency and are heard before elected representatives.



Private European companies are angling to take control of Americans' most vital resource—water.

SECOND ARTICLE - 3 PAGES - 1st Page -

Power Elite Profit From War

How is the Bush family getting financially fat off the "war on terrorism?" And how about all those D.C. cronies? The following report shows who's profiting from this insane "war on terrorism" and how.

EXCLUSIVE TO AMERICAN FREE PRESS

By Christopher Bollyn

War has always been a profitable money machine for shrewd investors with foresight, but the extremely close connections of the Carlyle Group, a Washington-based private equity investment firm and major war profiteer, to the Bush and bin Laden families—and the current occupant of the White House—raise unavoidable questions of waging war for profit.

Established in 1987 the Carlyle Group was founded by David Rubenstein, a former staff member in the Jimmy Carter White House, and his two partners, Dan D'Aniello and Bill Conway. Today there are 18 partners in the firm and one outside investor. *The Washington Post* has described Carlyle as a "merchant banking firm" set up "to serve corporations and wealthy families." From the beginning the founders of Carlyle have recruited former politicians as consultants: former President George H.W. Bush is among them—along with a host of other Bush family cronies.

The Bush connection to the Carlyle Group is nothing short of a scandal, according to Larry Klayman, a notable government watchdog best known for pursuing the scandals of former President Bill Clinton.

Now that the United States is bombing Afghanistan and allocating huge sums of money for defense, including \$40 billion for the "war on terrorism" and more than \$200 billion

[1994 dollars] for the Joint Strike Fighter (JSF), the conflict of interest is "direct," Klayman says. "President Bush should not ask but demand that his father pull out of the Carlyle Group."

Carlyle owns many of the companies that will share in the \$200 billion JSF deal.

"Carlyle is as deeply wired into the current administration as they can possibly be," Charles Lewis, executive director of the Center for Public Integrity, said. "George Bush is getting money from private interests that have business before the government, while his son is president. And, in a really peculiar way, George W. Bush could, some day, benefit financially from his own administration's decisions, through his father's investments. The average American doesn't know that. To me, that's a jaw-dropper."

The Carlyle Group, which claims to be the largest U.S. private-equity fund with some \$14 billion in assets, makes money by investing in undervalued companies and reselling them at a profit, employing a host of former top-level government officials from the Bush and Reagan administrations, including former President Bush, in a global "money machine." *The Washington Business Journal* said in May that the Carlyle Group "seems to play by a different set of rules."

Carlyle is a high-end business open only to the very rich. The Carlyle empire has investments around the world, owns numerous defense related companies outright, and has considerable business with the U.S. government. It owns so many companies that it is now one of the biggest U.S. defense contractors—and a major force in global telecommunications. Carlyle also serves as financial adviser to the Saudi government.

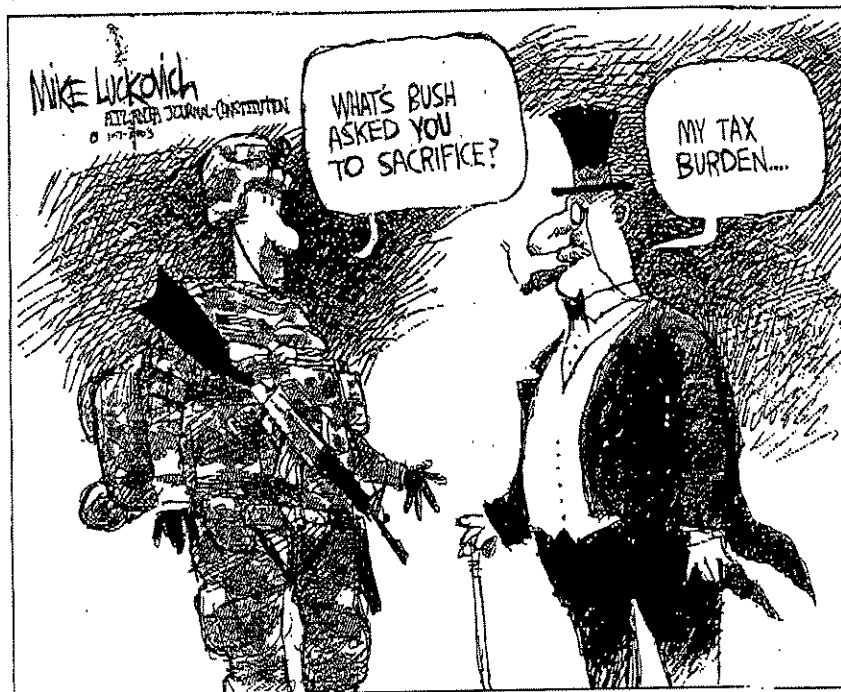
Carlyle's directory reads like a *Who's Who* of high-profile Republicans going back to the Reagan administration. The chairman is Ronald Reagan's former defense secretary, Frank Carlucci. Former Secretary of State James Baker III, former Budget Director Richard Darman, and Arthur Levitt, chair-

man of the Securities and Exchange Commission through most of the Clinton administration, are all senior advisers to the firm.

"Nothing in recent history, however, seems to approach the success this group has had in the wholesale conversion of former high government rank to gigantic profits," Dan K. Thomasson, former editor of Scripps Howard News Service wrote in March 2001. "To use that influence at the highest levels to garner such enormous wealth and power presents an undeniably unsavory appearance."

"One of the underlying themes of the last election, rarely spoken but always present, was the need to restore dignity to the presidency. Now we discover that at the same time he was being held up as an example of how to be presidential, Bush senior was using his stature and entree everywhere to push the interests of himself and his cronies," Thomasson wrote.

The success of the relatively young Carlyle Group is hardly surprising given that it primarily buys companies that are regulated by government. Nearly two-thirds of its investments



SECOND ARTICLE - 2nd page



GEORGE H.W. BUSH
Making big money.



GEORGE W. BUSH
Enriching his dad?



JAMES BAKER
Another profiteer.



FRANK CARLUCCI
Carlyle chairman.

are in defense and telecommunications companies, which are affected by shifts in government spending and policy. Financial experts say the Carlyle Group's most profitable niche is buying military and aerospace supplies at discount prices and selling them for a lot more.

With Carlucci as chairman, it's no surprise that Carlyle is drawn to defense firms. Carlyle owns numerous defense and aerospace firms such as United Defense Industries, which makes tanks, guided missiles, space vehicles, and weapons delivery systems. United States Marine Repair (USMR) is America's largest non-nuclear ship repair, modernization and conversion company and is another Carlyle company.

Carlucci's knowledge of the Pentagon's inner workings gives Carlyle an advantage when buying defense companies that have fallen in market value. "Because they have a good sense of the defense and aerospace business, they have an ability to project future earnings so they can calculate the true value," Philip Finnegan, a senior analyst with the Teal Group said.

Carlucci, who is seen as largely responsible for Carlyle's success, said he met in February with his old college classmate, Donald Rumsfeld, the new secretary of defense. He also met with Vice President Dick Cheney, himself a defense secretary under former President Bush, to talk about military matters—at a time when Carlyle has several billion-dollar defense projects under consideration.

Defense-related companies make up about 30 percent of the firm's portfolio, which also includes information technology, Internet companies, health care, real estate, and bottling companies. The French newspaper, *Le Figaro*, is another

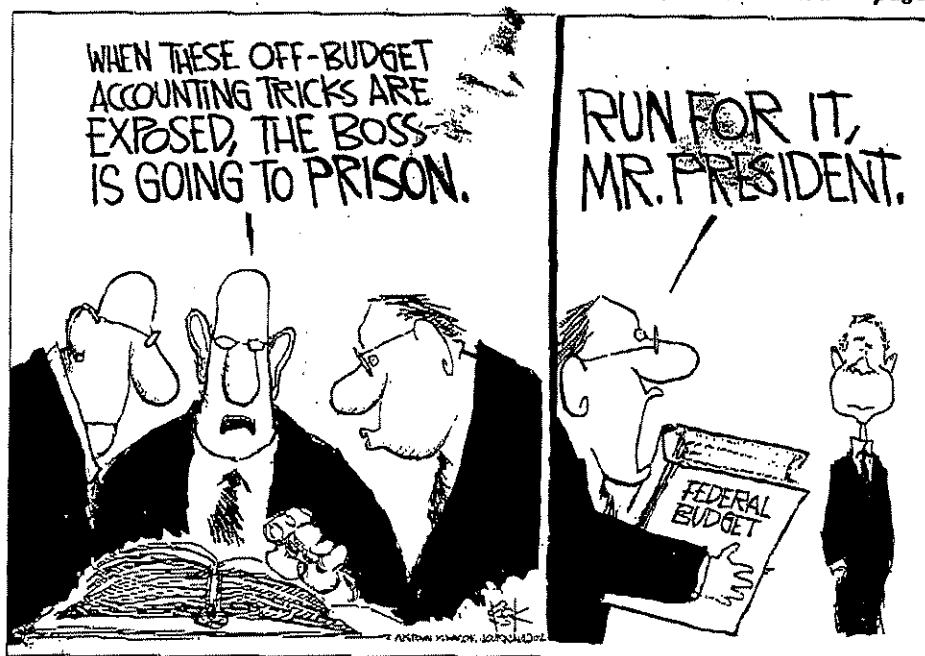
Carlyle asset.

"Carlyle has averaged annual gross returns of 34 percent since inception, par for the course among similar buyout firms. By comparison, funds offered by Kohlberg Kravis Roberts & Co. returned 30 percent. By the end of 2000 Carlyle had raised a total of \$12.5 billion, which made it the fifth-largest private buyout firm in the U.S.," Bloomberg reported.

PRIVATE EQUITY FUND

Although the Carlyle Group is a "private equity fund" it has enriched itself using public and state pension funds from California, Texas and Connecticut. The California Public Employees' Retirement System (CALPERS) has invested hundreds of millions with Carlyle and has at least a 5 percent

(Continued on next page)



2nd Article - 3rd page -

(Continued from previous page)

stake in the firm.

The Texas teachers' pension fund—whose board was appointed when George W. Bush was governor—gave Carlyle \$100 million to invest. In Connecticut, a scandal resulted when Wayne Berman, a Washington consultant and fund-raiser for George W. Bush's presidential campaign, received "a kickback" of more than \$900,000 after the state treasurer, Paul J. Sylvester, steered tens of millions of state pension fund dollars into a Carlyle Group investment fund.

On Oct. 26, it was reported that Osama bin Laden's family was cutting its financial ties with the Carlyle Group. The bin Laden family reportedly sold its investment worth \$2.02 million because of criticism in Saudi Arabia that the bin Laden family, whose construction company is one of the largest in the Middle East, would profit from increased military spending in the U.S.-led war against terrorism.

SAME OLD FACES

The fact that President Bush's father and his former secretary of state, James Baker, serve as senior advisers to the company has raised red flags in Washington. Bush the Elder and Baker reportedly use their extensive government contacts to further their business interests as Carlyle Group representatives. From Carlyle's point of view, the involvement of Baker and the former president is invaluable.

"It punches up the brand awareness for us globally," said Carlyle partner Dan D'Aniello. "We are greatly assisted by Baker and Bush. It shows that we are associated with people of the highest ethical standards."

Baker's stake was estimated to be worth more than \$180 million when the fund was valued at \$3.5 billion; today it is

worth much more.

Unlike Baker, Bush the Elder has no ownership stake in Carlyle. As an adviser and an investor, however, Bush is allowed to put the money he earns giving speeches, between \$80,000 and \$100,000 per speech, into Carlyle's investment funds.

In July 2000, Carlyle Group bought Northrop Grumman's aerostructures business group in a deal valued at \$1.2 billion. The business was renamed Vought Aircraft Industries and remains based in Dallas. On Aug. 20, Vought announced that it had been selected by Northrop Grumman to manufacture the wing for the Global Hawk unmanned reconnaissance system's air vehicle.

The corporate overlap between Carlyle and leading defense contractors can be seen in B. Edward Ewing, managing director and CEO of Dallas-based Carlyle Management Group (CMG).

Ewing is also chairman and CEO of The Aerostructures Corporation (TAC), a leading worldwide designer and manufacturer of major components for commercial and military aircraft, and is CEO of USMR. Prior to joining Carlyle and leading USMR, Ewing served five years as vice president of operations for Lockheed Martin, the leading company on the JSF project. The current White House occupant was himself director of a Carlyle company, Caterair.

From the beginning the founders have recruited former politicians as consultants. George Bush the Elder visited Saudi Arabia, home of the bin Laden family, to open doors for Carlyle's fund-raisers. Carlyle won't disclose how much senior advisers like Bush earn but industry experts estimate their fees average about \$1 million per year. ★



This by no means gives all the involved "parties" or their amazing manipulative input but simply proves more sheltering of the outreach of such groups.

* * *

EXCERPTED FROM: *INTERNATIONAL FORECASTER*, May 2004 (#2) Vol. 8 No. 5-2, P.O. Box 510518, Punta Gorda, FL 33951. New Website under construction:

<www.theinternationalforecaster.com>

REF: CARLYLE GROUP

[QUOTING:]

Carlyle is a private company with 550 investor-billionaires or pension funds. Carlyle manages \$18 billion, invested in defense, high-tech, notably biotech, space, security-linked information technology, nanotechnologies and telecommunications. The companies it controls share the characteristic that their main customers are governments and administrations. The group incarnates the military-industrial complex against which Republic President Dwight D. Eisenhower warned the American people about when he left office in 1961. The senior Bush as a consultant for Carlyle for 10 years. This is the first time in history that a former president worked for a Pentagon supplier.

Carlyle found George W. a job at Caterair. The Bush's are profiting from George W.'s decisions as President.

Then there is the entourage. John Major, FIDEL RAMOS, Park Tae Joon, Saudi Prince Al-Walid, (the BIN LADEN FAMILY was forced to quit to keep up appearances.), Colin Powell [Perhaps this might be "Powell" but we will present as offered.], James Baker III, Casper Weinberger, Richard Darman, George Soros, Alice Albright (daughter of Madeleine Albright) [We note that most daughters do not have mother's surnames but again we present the information as offered.], Arthur Levitt and William Kinnard. Then there are the Europeans: Karl Otto Poehl, Henry Martre and Etienne Davignon.

It is a collection of world ELITIST/ILLUMINISTS. It is a rogue's gallery if you may. Carlyle owns holdings in 200 companies and has returned 30% annually via its insider connections. No legal proceedings are ever brought against the company. They are either paid off or liquidated.

In 1989 Frank Carlucci got the whole show on the road with his old buddies from the CIA. He helped form what has become a financial bonanza for insiders. Of course, Carlyle uses fiscal havens extensively and is now heavily invested in Europe as well. This shows you what insider/elitist connections can do.

[END QUOTING]

In reference to the "fiscal havens", it is KNOWN that Ramos has MASSIVE holdings in Labuan. Certainly he is instrumental in all taking place in the area of Southeast Asia, Sabah (Borneo), and is touted to have holdings in Malaysia of major size, i.e., at least one of the towers of Petronas. We have no hard evidence of the latter.

Now, please, ANYONE who thinks we wish to annoy Mr. Ramos is not thinking very clearly. You who wish to taunt the viper might get your tongue bitten quite badly as you waggle it at the party in point. Besides, it behooves US TO RECOGNIZE OUR ASSETS AS WELL AS OUR ENEMIES. Fidel Ramos and, actually, George Bush(s) are the most important would-be allies on the globe today. THINK ABOUT IT.

So now, what does Michael Moore say about the Carlyle Group?

* * *

3rd article

Pg 1

EXCERPT: *Dude, Where's My Country?* Michael Moore, Warner Books, 2003:

[QUOTING: (Page 8), rhetorically addressing Dubya" Bush:]

After leaving office, your father became a highly paid consultant for a company known as the Carlyle Group. One of the investors in the Carlyle Groups WAS NONE OTHER THAN THE BIN LADEN FAMILY. The bin Ladens put a minimum of \$2 million into the Carlyle Group.

Until 1994, you headed a company called CaterAir, which was owned by the Carlyle Group. The same year

Pg 2

you left the soon-to-be-bankrupt CaterAir, you became governor and quickly oversaw the University of Texas—a state institution—make an investment of \$10 million IN THE CARLYLE GROUP. The bin Laden family had also gotten on the Carlyle gravy train in 1994.

The Carlyle Group is one of the nation's largest defense contractors, among their many other lines of work. They don't actually build weapons themselves. Rather, they buy up failing defense companies, turn them around by making them profitable, and then sell them for huge sums of money.

The people who run the Carlyle Group are a Who's Who of past movers and shakers, everyone from Ronald Reagan's defense secretary, Frank Carlucci, to your dad's secretary of state, James Baker, to former British Prime Minister John Major. [H: And right here let us not neglect Fidel Ramos of the Philippines.] Carlucci, the head of Carlyle, also happens to sit on the board of directors of the Middle East Policy Council along with a representative of the bin Laden family business.

After September 11, *The Washington Post* and *The Wall Street Journal* both ran stories pointing out this strange coincidence. Your first response, Mr. Bush, was to ignore it, hoping, I guess, that the story would just go away. Your father and his buddies at Carlyle did not renounce the bin Laden investment. Your army of pundits went into spin control. They said, we can't paint those bin Ladens with the same brush we use for Osama. They have disowned Osama! They have nothing to do with him! They hate and despise what he has done! These are the good bin Ladens.

And then the video footage came out. It showed a number of those "good" bin Ladens—including Osama's mother, a sister and two brothers—with Osama at his son's wedding just six and a half months before September 11. It has been reported in *The New Yorker* that not only has the family not cut ties to Osama, but they have continued to fund him as they have been doing for years. It was no secret to the CIA that Osama bin Laden had access to his family fortune (his share is estimated to be at least \$30 million), and bin Ladens, as well as other Saudis, kept Osama and group, al Qaeda, well funded.

Mr. Bush, weeks went by after the attacks on New York and the Pentagon, yet your father and his friends at the Carlyle Group refused to buckle in their support for the bin Laden empire.

Finally, nearly two months after the attacks, with more and more people questioning the propriety of the Bush family being in bed with the bin Ladens, your father and the Carlyle Group were pressured into giving the bin Ladens their millions back and asked them to leave the company as investors.

Why did this take so long?

To make matters worse, it turned out that one of bin Laden's brothers—Shafiq—was actually at a Carlyle Group business conference in Washington, D.C. the morning of September 11. The day before, at the same conference, your father and Shafiq had been chatting it up with all the other ex-government Carlyle big-wigs.

Mr. Bush, what is going on here?

You've gotten a free ride from the media, though they know everything I have just written to be the truth (and, in fact, I have taken it from the very same mainstream news sources they work for). They seem unwilling or afraid to ask you a simple question: WHAT IS GOING ON HERE?

In case you don't understand just how bizarre the media's silence is regarding the Bush-bin Laden connections, let me draw an analogy to how the press or Congress may have handled something like this if the same shoe had been on the Clinton foot. If, after the terrorist attack on the Federal Building in Oklahoma City, it was revealed that President Bill Clinton and his family had financial dealings with Timothy McVeigh's family, what do you think your Republican Party and the media would have done with that one? Do you think at least a couple of questions might have been asked, like, "What is THAT all about?" Be honest, you know the answer. They would have asked more than a couple of

questions. They would have skinned Clinton alive and thrown what was left of his carcass in Gitmo.

So, what is this all about, Mr. Bush? We have a right to know.

[END QUOTING]

To see why this is so very important to any of us making an effort to do anything in the Philippines we need to address a few other items.

Fidel Ramos was THE RIGHT HAND of Ferdinand Marcos all the while he was "dictatorship" and setting up all the financial programs in conjunction with, yes indeed, the Reagan-Bush bunch and that now infamous Carlyle Group. He turned on his boss and helped the U.S. kidnap and thieve all of the assets (HE THOUGHT) of the Marcos holdings and of the dispersed/scattered packages of gold and currency.

It was from all this wealth that the stupid use of the SUPERFUND would have been supported—but you know how it goes—it got totally screwed up in the grabbing until there was NOTHING with which to BACK THE FUND ITSELF.

The point is that there may well have been "a way" to snatch and claim the Marcos assets as claimed BUT what about the Tallano holdings supposed to be protected and in the vault of the Central Bank of the Philippines? Wow, is a picture actually taking shape in your "light-bulb"? [Insert from EJ: A quick recheck of the info on the net re Ramos shows that the "Carlyle Asia Advisory Board" upon which Ramos served was disbanded in February 2004 so he can "officially" deny any current involvement. We might guess that he was well paid for a job well done and might now escape unscathed.]

pg 3

Our program is valid, viable and IT WILL WORK—
given opportunity.

Ramos has orchestrated the entire election process in the Philippines as of May 10th and indeed, it is working superbly well as theft and corruption continues to rule the day—right along with the puppet GMA. I would suggest that it may well surprise all of you in that at some point here the attention will turn to focus on our program—when the dust and flak settle a bit. Can we wait? Of course, the question is, CAN "YOU"? We are, in fact, "going to" but we can't choose FOR you.

What interests me, but in no way surprises me, is that some of you and MANY from past experiences together have not only withdrawn participation with my team but have denounced them, thrown brickbats and rocks and actually stolen their very property! You then continue to claim to serve God and Country and certainly "want your share" while shouting loudly that "it has taken too long." This shouting comes, of course, from the comfortable couch or computer chair. There is NO comfortable couch or computer chair in this place. Survival, not comfort or convenience, is the name of this game.

Facts are, however, that every obstacle overcome, every rock survived has caused us to strengthen the very foundation support for our program/project and cross every last "t" and dot every last "i". This protects the assets while negotiations now have a basis on which to begin to take form for use and stability.

We have no interest in "putting down or out" ANYONE. Ours is to build (CREATE) a better way in the facts of WHAT IS.

May you learn to live in understanding so that the rewards will be gracious and in abundance in return for service, sharing and supporting. We have no cult to offer you and no "new religion" to stuff down your gullet—we ARE no more—no less.

Will we leave a legacy of goodness? We hope so but certainly—if no more than offering integrity and willingness to serve the "better way" and making this a "better place" for having walked this way—we can have peace and balance.

The load here is heavy indeed, so please, let us leave this now.

GCH
dharma